

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 53rd Legislature (2012)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2482

By: Moore of the House

and

Shortey of the Senate

8  
9                                   COMMITTEE SUBSTITUTE

10           An Act relating to state government; amending 74 O.S.  
11           2011, Section 85.58A, which relates to state risk  
12           management programs; specifying certain employers may  
13           obtain workers' compensation insurance from third-  
14           party vendors; specifying state agencies, boards and  
15           commissions shall obtain workers' compensation  
16           insurance through the Office of State Finance;  
17           specifying duties of risk manager; and providing an  
18           effective date.

19 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

20           SECTION 1.           AMENDATORY           74 O.S. 2011, Section 85.58A, is  
21 amended to read as follows:

22           Section 85.58A A. The Department of Central Services shall  
23 establish for all state agencies, whether or not subject to The  
24 Oklahoma Central Purchasing Act, and other entities as provided by

1 law a comprehensive professional risk management program which  
2 shall:

3 1. Identify and evaluate risks of loss and exposures to loss to  
4 officers, employees and properties;

5 2. Minimize risks through loss-prevention and loss-control  
6 programs;

7 3. Transfer risks, if economically advantageous to the state,  
8 by acquiring commercial insurance, contractual pass through of  
9 liability, or by other means;

10 4. Consolidate and administer risk management plans and  
11 programs including self-insurance programs, except Workers'  
12 Compensation Insurance and State Employees Group Insurance;

13 5. Determine feasibility of and, if feasible, establish self-  
14 insurance programs, considering whether a program may be self-  
15 supporting to remain financially and actuarially sound;

16 6. Provide a system to allocate insurance and program costs to  
17 determine payment for insurance coverage and program expenses  
18 provided by the Department of Central Services;

19 7. When requested by a state retirement system, CompSource  
20 Oklahoma or the State and Education Employees Group Insurance Board,  
21 assist in obtaining insurance authorized by law. If requested by  
22 the Oklahoma State Regents for Higher Education, assist trust funds  
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1 for which the State Regents serve as trustees in obtaining insurance  
2 authorized by law;

3 8. Assist state agencies and officers, employees, and members  
4 thereof, charged with licensing authority, in obtaining insurance  
5 for liability for judgments, based on the licensing authority,  
6 rendered by any court pursuant to federal law;

7 9. When requested by a public trust established pursuant to  
8 Title 60 of the Oklahoma Statutes of which the State of Oklahoma is  
9 the beneficiary, obtain, provide or assist the public trust in  
10 obtaining insurance authorized by law or trust indenture covering  
11 any board member, trustee, official, officer, employee or volunteer  
12 for errors and omissions or liability risks arising from the  
13 performance of official duties pursuant to law or trust indenture;  
14 and

15 10. When requested by the Oklahoma State Regents for Higher  
16 Education, for the purpose of insuring real property required  
17 pursuant to Section 4018 of Title 70 of the Oklahoma Statutes, of  
18 which the Oklahoma State Regents for Higher Education is the  
19 beneficiary, obtain, provide or assist the Oklahoma State Regents  
20 for Higher Education in obtaining insurance for the real property  
21 pursuant to the provisions of this section.

22 B. The Director of Central Services may hire or contract for  
23 the services of a Risk Management Administrator to supervise the  
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1 Comprehensive Professional Risk Management Program established  
2 pursuant to this section. If appointed by the Director as a state  
3 employee, the Risk Management Administrator shall be in the  
4 unclassified service.

5 C. The Risk Management Administrator shall evaluate insurance  
6 coverage needs and in force for state agencies, whether or not  
7 subject to The Oklahoma Central Purchasing Act, and other entities  
8 as provided by law. All entities shall submit to the Risk  
9 Management Administrator all information which the Risk Management  
10 Administrator deems necessary to perform this duty.

11 D. The Risk Management Administrator in conjunction with the  
12 State Purchasing Director under the authority of the Director of  
13 Central Services may negotiate insurance coverage and insurance-  
14 related services, including, but not limited to, insurance brokerage  
15 and consulting services. The State Purchasing Director shall ensure  
16 open processes for solicitation and qualification of insurance  
17 coverage and services providers. The State Purchasing Director  
18 shall award contracts for insurance coverage and services to the  
19 provider or providers which offer the best and final terms and  
20 conditions. The State Purchasing Director may authorize the Risk  
21 Management Administrator to bind for insurance coverage with  
22 providers.

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1 E. The school districts of this state may request the Risk  
2 Management Administrator to advise for the purchase of insurance  
3 coverage for the school districts.

4 F. A state agency, whether or not subject to The Oklahoma  
5 Central Purchasing Act, that contemplates purchase of property and  
6 casualty insurance, shall provide details of the proposed purchase  
7 to the Risk Management Administrator for approval or disapproval  
8 prior to the purchase.

9 G. The Director of Central Services shall promulgate rules to  
10 effect the provisions of the comprehensive professional risk  
11 management program.

12 H. 1. a. Any community action agency established pursuant to  
13 Sections 5035 through 5040 of this title may  
14 participate in the comprehensive professional risk  
15 management program established pursuant to this  
16 section for risks incurred as a result of operating a  
17 Head Start program or providing transportation  
18 services to the public. The Risk Management  
19 Administrator shall obtain or provide for insurance  
20 coverage for such community action agencies or bonding  
21 for employees of such community action agencies. Any  
22 liability insurance coverage obtained or provided  
23 shall include expenses for administrative and legal  
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1 services obtained or provided by the Risk Management  
2 Administrator.

3 b. The Risk Management Administrator shall determine  
4 criteria for participation in the risk management  
5 program by such community action agencies. In  
6 addition, the Risk Management Administrator may  
7 require each such community action agency to:

8 (1) provide adequate qualified personnel and suitable  
9 facilities and equipment for operating a Head  
10 Start program or providing transportation  
11 services to the public, and

12 (2) comply with such standards as are necessary for  
13 the protection of the clients it serves.

14 2. To receive coverage pursuant to this section, a community  
15 action agency shall make payments for any insurance coverage and  
16 shall otherwise comply with the provisions of this section and rules  
17 promulgated by the Department pursuant to the provisions of this  
18 section.

19 3. Requests for the insurance coverage provided pursuant to the  
20 provisions of this subsection shall be submitted in writing to the  
21 Risk Management Administrator by the community action agencies.

22 I. The Risk Management Administrator may provide or obtain for  
23 any state agency, public trust with the state as a beneficiary and a  
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1 director, officer, employee or member thereof, insurance for  
2 liability for loss, including judgments, awards, settlements, costs  
3 and legal expenses, resulting from violations of rights or  
4 privileges secured by the Constitution or laws of the United States  
5 of America which occur while a director, officer, employee or member  
6 is acting within the scope of service to the State of Oklahoma. The  
7 insurance shall be for coverage in excess of the limits on liability  
8 established by The Governmental Tort Claims Act but shall not limit  
9 or waive any immunities now or hereafter available to the State of  
10 Oklahoma or any state agency, any public trust with the state as a  
11 beneficiary, or any director, officer, employee or member thereof,  
12 including, but not limited to, any immunities under the Eleventh  
13 Amendment to the Constitution of the United States, state sovereign  
14 immunity, and any absolute or qualified immunity held by any  
15 director, officer, employee or member.

16 J. Effective November 1, 2012, institutions of higher  
17 education, common education and career technology centers may obtain  
18 workers' compensation insurance through third-party vendors.

19 K. Except as provided in subsection J of this section,  
20 effective November 1, 2012, all state agencies, boards and  
21 commissions shall obtain workers' compensation insurance through the  
22 Office of State Finance. The state Risk Management Administrator  
23 shall manage the process and shall ensure that information needed

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1 for the quoting process shall be available no less than sixty (60)  
2 days before the expiration date of the current policy. In addition,  
3 the Risk Management Administrator shall have oversight authority of  
4 the claims and risk management processes of any private carrier or  
5 insurance agency insuring the risk.

6 SECTION 2. This act shall become effective November 1, 2012.

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8 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT MODERNIZATION, dated  
9 03/05/2012 - DO PASS, As Amended and Coauthored.

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UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.